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DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Announcement of eBond Test

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: General notice.

SUMMARY: This notice announces U.S. Customs and Border Protection's (CBP's) plan to conduct a voluntary National Customs Automation Program test concerning automation of CBP's bond program (eBond test). The eBond test utilizes an automated system (eBond system) that provides for the transmission of electronic bond contracts (eBonds) between principals and sureties, with CBP as third-party beneficiary, in the Automated Commercial Environment (ACE) for the purpose of linking those eBonds to the transactions they are intended to secure. All eBonds transmitted pursuant to this test must be transmitted to ACE electronically, either via the CBP-approved Electronic Data Interchange (EDI) or emailed to CBP for manual input into ACE. The transmission of eBonds to CBP must be made by a surety or surety agent. The eBond system works with ACE to ensure that transactions secured by an eBond have the proper bond coverage to protect the revenue and secure legal compliance. The eBond system is intended to establish a single repository for the centralization of all eBonds within the Office of Administration's Revenue Division, to harmonize and enhance CBP's bond processes,

and to eliminate flaws in the execution of customs bonds, which may lead to increased legal risk for CBP. It is anticipated that the eBond test will reduce paper processing, expedite cargo release, allow for bonds to be transmitted beyond regular CBP business hours, and enhance traceability for audit purposes. The eBond test is intended to evaluate the automation of CBP's bond program, its impact on trade, and CBP's ability to enforce applicable laws and protect the revenue. This notice invites public comment concerning any aspect of the test, describes the eligibility, procedural and documentation requirements for voluntary participation in the test, and outlines the development and evaluation methodology to be used in the test.

DATES: The eBond test will commence on January 3, 2015, and will run for approximately two years, subject to any extension, modification, or early termination as announced by way of notice in the **Federal Register**. CBP's evaluation of the test will be ongoing during the test period. Requests to participate and comments on any aspect of the test may be submitted to CBP for the duration of the test. CBP will notify an interested surety via email of its test participation status upon receipt and review of the surety's eBond test participation request.

ADDRESSES: Comments and/or questions concerning this notice or any aspect of the test may be submitted to CBP via email to eBondTest@cbp.dhs.gov, with the subject line identifier reading "Comment/Questions on eBond test." Requests for a surety filer code,

and surety requests to participate in the eBond test should be sent to Conrad.I.henry@cbp.dhs.gov, with a subject line identifier specifying either “Surety filer code request” or “Surety request to participate in eBond test.” eBonds transmitted to CBP for manual input into ACE by the Office of Administration’s Revenue Division should be sent to cbp.bondquestions@dhs.gov, with the specific email header information set forth in CBP’s “eBond Policies and Procedures” web page located at <http://www.cbp.gov/trade/trade-community/programs-administration/bonds/ebond>.

FOR FURTHER INFORMATION CONTACT: For policy related questions, contact Kara Welty, Chief, Debt Management Branch, Revenue Division, Office of Administration, at kara.welty@dhs.gov. For technical questions, contact John Everett, Entry Summary, Accounts, and Revenue Branch, ACE Business Office, Office of International Trade, at john.everett@dhs.gov.

SUPPLEMENTARY INFORMATION:

BACKGROUND

National Customs Automation Program: Electronic Bonds as Planned Component

Title VI of the North American Free Trade Agreement Implementation Act (the Act), Public Law 103-182, 107 Stat. 2057 (Dec. 8, 1993), contains provisions pertaining to Customs Modernization (107 Stat. 2170). Subtitle B of title VI establishes the National Customs Automation Program (NCAP), an automated and electronic system for the processing of commercial importations. Section 631 in Subtitle B of the Act creates section 411 through 414 of the Tariff Act of 1930 (19 U.S.C. 1411-1414). These sections define and list the existing and planned components of the NCAP (section 411),

promulgate program goals (section 412), provide for the implementation and evaluation of the program (section 413), and provide for Remote Location Filing (section 414).

Section 411(a)(2)(D) lists the electronic filing of bonds as a planned NCAP component.

A primary objective of the NCAP is customs modernization through trade compliance and the development of the Automated Commercial Environment (ACE), the planned successor to the Automated Commercial System (ACS). ACE is an automated and electronic system for commercial trade processing, which is intended to streamline business processes, facilitate growth in trade, ensure cargo security, and foster participation in global commerce, while ensuring compliance with U.S. laws and regulations and reducing costs for CBP and stakeholders. The ability to meet these objectives depends on successfully modernizing CBP's business functions and the information technology that supports those functions.

Development of the Electronic Bond Concept

CBP's bond program has been the subject of several evaluations, including a CBP-commissioned 2003 independent report that examined the efficacy of the agency's continuous bond program. See "Grant Thornton Review of Customs Continuous Transaction (Entry) Bonds" dated April 3, 2003. That report recommended that CBP centralize its continuous bond program to increase efficiency and uniformity. In 2011, the Department of Homeland Security's Office of the Inspector General conducted an audit of CBP's single transaction bond (STB) program, and found deficiencies in bond

retention, accuracy and completion, valuation, as well as problems with cargo being released prior to execution of bonds. See “Efficacy of Customs and Border Protection’s Bonding Process,” OIG 11-92, dated June 27, 2011, available for viewing at http://www.oig.dhs.gov/assets/Mgmt/OIG_11-92_Jun11.pdf. The OIG recommended centralization and automation of the STB program and this objective was adopted as a CBP mission priority.

A Notice of Proposed Rulemaking (NPRM) entitled “Customs and Border Protection’s Bond Program” was published in the **Federal Register** (75 FR 266) on January 5, 2010. The document proposed amendments to the CBP regulations in title 19 of the Code of Federal Regulations (CFR) to modernize CBP’s bond program by centralizing the filing, review and approval of continuous bonds at CBP’s Revenue Division (RD) within the Office of Administration in Indianapolis, and by removing or amending certain bond requirements. It is anticipated that a final rule adopting the proposed amendments that pertain to centralization of the continuous bond program at the RD and permitting the electronic transmission of both continuous bonds and STBs to CBP via the Electronic Data Interchange (EDI) will be published in the **Federal Register** in the near future.

In preparation for the development and deployment of an automated bond program, CBP engaged in regular outreach with stakeholders, including sureties, surety agents, customs brokers, trade groups and other government agencies with a view to

obtaining meaningful feedback on existing systems and operations in order to build a mutually beneficial automated bond system. In early 2014, CBP began building the eBond system. CBP developed the eBond system with ongoing feedback from the trade and subject matter experts. The eBond system serves to harmonize and enhance CBP bond processes pertaining to transmission, validation, maintenance, retention, and periodic review of all customs bonds, and establishes a single electronic repository for the centralization of those bonds within the RD. The eBond system benefits both CBP and the trade by reducing paper processing, expediting cargo release, expanding bond transmission capabilities beyond regular CBP business hours, and enhancing traceability for audit purposes.

In June 2014, CBP released a Customs and Trade Automated Interface Requirements (CATAIR) document providing updated conventional trade interface information for the future deployment of electronic bond data functionality in ACE. The CATAIR update provides input and output EDI record formation for the electronic transmission of bonds to CBP. The document presents both the bond input transaction proprietary records used by sureties and surety agents to file and maintain an eBond as well as the output transaction proprietary records returned in response. The input record layouts describe the data elements required by the automated EDI interface. The output record layouts describe a response to filing as generated and returned by the automated EDI interface. CBP has posted these technical specifications on the CBP website at the following link: <http://www.cbp.gov/document/guidance/customs-ebond-createupdate-catair-chapter>.

As additional functionality is released in ACE, CBP will continue to integrate these new capabilities with eBonds and their associated transactions. Any updates to the technical formats will be posted at the above link. The trade community is encouraged to subscribe to the Cargo Systems Messaging Service (CSMS) at http://apps.cbp.gov/csms/csms.asp?display_page=1 to receive timely notifications on ACE as well as to receive any future changes or updates to these technical specifications.

Description of the eBond Test

Pursuant to 19 U.S.C. 1623(b), bonds may be transmitted electronically to CBP pursuant to an authorized EDI system. As stated in 19 U.S.C. 1623(d), any bond transmitted to CBP through an authorized EDI system shall have the same force and effect and be binding upon the parties (e.g., the principal(s) and surety(ies)) as if the bond were manually executed, signed, and filed. CBP's eBond system is an automated environment that provides for the transmission of electronic bond contracts (eBonds) between principals and sureties, with CBP as third-party beneficiary, in ACE through an authorized EDI system for the purpose of linking those eBonds to the transactions they are intended to secure. CBP's eBond system is available for all bond requirements set out in Chapter 1 of title 19 of the CFR, including but not limited to bonds under 19 CFR 141.20 and 19 CFR 142.4, with the exceptions noted below.

This notice announces CBP's plan to conduct a voluntary NCAP test of the eBond system. The test is intended to evaluate CBP's eBond system, its impact on trade, and CBP's ability to enforce applicable laws and protect the revenue. The eBond test will commence on January 3, 2015, and will run for approximately two years, subject to any extension or early termination as announced by way of notice in the **Federal Register**.

For purposes of the eBond test, the following definitions, conditions and criteria apply:

Definitions

- eBond. The term “eBond” means an electronic bond contract between principal(s) and surety(ies), with CBP as third-party beneficiary, that is comprised of data elements required by the eBond system and that is transmitted by a surety or surety agent to CBP under the eBond test. Pursuant to 19 U.S.C. 1623(d), an eBond has the same force and effect and is binding upon the principal(s) and surety(ies) thereto as if such eBond had been manually executed, signed, and filed in full compliance with 19 CFR part 113.
- eBond system. The term “eBond system” means CBP’s automated system for the transmission of eBonds in ACE for the purpose of linking those eBonds to the transactions they are intended to secure.
- eSTB. The term “eSTB” means a single transaction eBond.
- eBond rider. The term “eBond rider” means an electronic bond rider between principal(s) and surety(ies), with CBP as third-party beneficiary, that is comprised of data elements required by the eBond system and that is transmitted by a surety or surety agent to CBP under the eBond test. An eBond rider modifies an eBond in the same way that a bond rider modifies a customs bond. Pursuant to 19 U.S.C. 1623(d), an eBond rider has the same force and effect and is binding upon the principal(s) and surety(ies) thereto as if such eBond rider had been manually executed, signed, and filed in full compliance with 19 CFR part 113.

Method and Content of eBond and eBond Rider Transmission

The transmission of all eBonds and eBond riders in ACE for purposes of this eBond test must be made by a surety or surety agent pursuant to one of the two methods described below.

1) EDI: eBonds and eBond riders may be transmitted in ACE electronically via EDI, and must contain the required data elements set forth in the CATAIR which

comprise a reduced subset of the OMB-approved information collected on the CBP Form 301. The complete list of data elements for purposes of the eBond test can be found in the ACE ABI CATAIR – Customs eBond Create/Update Chapter at <http://www.cbp.gov/trade/ace/catair>.

EDI is only available for the transmission of single transaction eBonds with the following Activity Codes:

Single Transaction Bonds

<u>Activity Code</u>	<u>Activity Name</u>
1	Importer or Broker
1A	Drawback Payments Refunds
3	International Carrier
6	Wool & Fur Products
7	Bill of Lading
8	Detention of Copyrighted Material
10	Court Costs for Condemned Goods
16	Importer Security Filing (ISF)

EDI is only available for the transmission of continuous eBonds and continuous eBond riders with the following Activity Codes:

Continuous Bonds

<u>Activity Code</u>	<u>Activity Name</u>
1	Importer or Broker
1A	Drawback Payments Refunds

2	Custodian of Bonded Merchandise
3	International Carrier
3A	Instruments of International Traffic
3A3	Carrier of International Traffic
4	Foreign Trade Zone Operator
5	Public Gauger
11	Airport Security Bond
16	Importer Security Filing (ISF)

(2) Email: eBonds and eBond riders may be emailed to CBP at cbp.bondquestions@dhs.gov for manual input into ACE by the RD. eBonds transmitted via email must be on a CBP Form 301 signed by the principal(s) and surety(ies). eSTBs must include direction to CBP as to how the eSTB is to be used and the entry type the eSTB will secure. Email transmission is available for eBonds and eBond riders with any Activity Code. eBonds and eBond riders transmitted by this method are subject to policies and procedures issued by the Office of Administration for the manual input of eBonds and eBond riders.

Terms and Conditions for eBonds

As stated in 19 U.S.C. 1623(d), any bond transmitted to CBP through an authorized EDI system shall have the same force and effect and be binding upon the parties (e.g., the principal(s) and surety(ies)) as if the bond were manually executed, signed, and filed.

In order to secure payment of any duty, tax or charge and compliance with law or regulation as a result of activity covered by any condition identified in an eBond, the principal(s) and surety(ies) identified on the eBond bind themselves (jointly and severally) to the United States in the amount or amounts set forth in the eBond.

A continuous eBond remains in force for one year beginning with the effective date and for each succeeding annual period, or until terminated. This continuous eBond constitutes a separate bond for each annual period in the amount(s) listed on the eBond for liabilities that accrue in each annual period. The intention to terminate this continuous eBond must be conveyed within the annual period and in the manner prescribed in this test notice.

The principal(s) and surety(ies) agree that any charge against the eBond under any of the listed names is as though it was made by the principal(s). The principal(s) and surety(ies) agree that they are bound to the same extent as if they executed a separate eBond covering each set of conditions incorporated by reference to the CBP regulations into this eBond. If the surety(ies) fails to appoint an agent under Title 31, United States Code, Section 9306, the surety(ies) consents to service on the Clerk of any United States District Court or the U.S. Court of International Trade, where suit is brought on this bond.

Additional terms and conditions for each eBond are identified by the Activity Code for the eBond selected by the transmitting surety/surety agent. The additional terms and conditions for each Activity Code mirror the correlating terms and conditions found on the CBP Form 301. Selection of an Activity Code constitutes the agreement of the

surety(ies) and principal(s) to be bound by the terms and conditions in the corresponding regulation:

Activity Code	Activity Name	CBP Regulations in which conditions are codified
1	Importer or broker	19 CFR 113.62
1A	Drawback Payments Refunds	19 CFR 113.65
2	Custodian of Bonded Merchandise (continuous bond only)	19 CFR 113.63
3	International Carrier	19 CFR 113.64
3A	Instruments of International Traffic; (continuous bond only)	19 CFR 113.66
3A3	Carrier of International Traffic	19 CFR 113.64, 113.66
4	Foreign Trade Zone; (continuous bond only)	19 CFR 113.73
5	Public Gauger	19 CFR 113.67
6	Wool & Fur Products Labeling Acts Importation (single transaction only)	19 CFR 113.68
7	Bill of Lading (single transaction only)	19 CFR 113.69
8	Detention of Copyrighted Material (single transaction only)	19 CFR 113.70
9	Neutrality (single transaction only)	19 CFR 113.71
10	Court Costs for Condemned Goods (single transaction only)	19 CFR 113.72
11	Airport Security Bond	19 CFR Part 113 App A
16	Importer Security Filing (ISF)	19 CFR Part 113 App D

eBonds associated with the Activity Codes listed below contain additional unique terms and conditions; as such, they can only be emailed to the RD. CBP cannot accept eBonds associated with these Activity Codes via EDI at this time.

12	International Trade Commission (ITC) Exclusion Bond	19 CFR Part 113 App B
14	In-Bond Export Consolidation Bond	
15	Intellectual Property Rights (IPR)	
17	Marine Terminal Operator (continuous bond only)	

Bond Requirements for Entry/Entry Summary Filing

Beginning on January 3, 2015, participants in the eBond test will be the only parties able to transmit required bond coverage (in the form of eBonds) for the following entry/entry summary scenarios:

	ACE Entry (Simplified Entry) followed by ACE Entry Summary	ACE Entry Summary Certified for ACE Cargo Release	ACS Entry followed by ACE Entry Summary	ACE Entry Summary Certified for ACS Cargo Release	ACS Entry followed by ACS Entry Summary	ACS Entry Summary Certified for Cargo Release
Single Transaction Bond	YES	YES	NO	NO	NO	NO
Continuous Bond	YES	YES	YES	YES	YES	YES

For the scenarios in which the word “yes” appears, the entry/entry summary must be matched (validated) to an existing eBond that was previously transmitted in ACE for the purpose of securing that transaction. If an appropriate eBond is not on file in ACE for that transaction, the entry/entry summary will be rejected. For the scenarios in which the word “no” appears, CBP will not permit bond coverage to be transmitted under the eBond test and a CBP Form 301 subject to 19 CFR part 113 will be required instead. On November 1, 2015, CBP expects to retire ACS for most electronic entry/entry summary transactions, and at that time, the eBond test is expected to expand to all scenarios set forth in the chart above.

Terms and Conditions for eBond Riders

The surety/surety agent transmitting an eBond rider must identify the eBond being amended and the type of eBond rider selected, as well as other data elements required by the eBond system. The principal(s) and surety(ies) of the identified eBond

agree to be bound (jointly and severally) by amendments to the eBond corresponding to the type of eBond rider the surety/surety agent has selected. Except for the amendments described below for the selected eBond rider, the principal(s) and surety(ies) agree that all other terms and conditions of the identified eBond remain unchanged.

(1) Addition eBond rider. The principal(s) and surety(ies) agree that the names transmitted with this eBond rider are unincorporated units of the identified principal or are trade or business names used by the identified principal in its business, that the identified eBond covers its business, and that the identified eBond covers any act done in those names to the same extent as though done in the name of the identified principal. The principal(s) and surety(ies) agree that any such act shall be considered to be the act of the identified principal.

(2) Deletion eBond rider. The principal(s) and surety(ies) agree that the names transmitted with this eBond rider of unincorporated units of the identified principal or trade or business names used by the identified principal in its business are deleted from the identified eBond effective upon the date of approval of this eBond rider by the appropriate CBP bond approval official.

(3) Reconciliation eBond rider. The principal(s) and surety(ies) agree that the identified eBond covers all Reconciliations pursuant to 19 U.S.C. 1484(b) that are elected on any entries secured by the identified eBond, and that all conditions set out in 19 CFR 113.62 are applicable to the identified eBond. See also, 63 FR 6257 (Feb. 6, 1998); 63 FR 44303 (Aug. 18, 1998); and 67 FR 61200 (Sept. 27, 2002). The principal(s) and

surety(ies) also agree that, when an Aggregate Reconciliation under this eBond rider lists entries occurring in more than one bond period, any liabilities to CBP reflected in that Aggregate Reconciliation will be attributable (up to the full available bond amount) to any or all of those bond periods.

(4) U.S. Virgin Islands eBond rider. The principal(s) and surety(ies) agree that the words “United States,” whenever used in the terms and conditions of the identified eBond, include the U.S. Virgin Islands.

eBond and eBond Rider Transmission as Binding Representation to CBP of Authority to Bind Both Surety and Principal to eBond or eBond Rider

In accordance with 19 U.S.C. 1623(d), and consistent with the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. 7001 et seq., in place of signatures memorializing the parties’ intent to be bound, the principals and sureties who execute eBonds under this test certify that the surety’s/surety agent’s act of transmitting an eBond or eBond rider to CBP in ACE to secure a transaction constitutes a binding representation to CBP that:

(1) The transmitting surety/surety agent has the authority to bind both the surety(ies) and the principal(s) identified in the eBond or eBond rider; and

(2) Pursuant to the surety/surety agent’s authority, both the surety(ies) and the principal(s) intend to be bound by the transmitted eBond or eBond rider, under the terms and conditions set forth in this notice. Furthermore, any transaction that identifies or uses an eBond as security constitutes the re-affirmation of the principal responsible for the transaction that it intends to be bound by the terms and conditions of the identified or used eBond.

Name and Address Change Bond Riders Not Supported in eBond

For purposes of the eBond test, CBP will not be collecting information regarding the name and address of the principal or surety on the eBond as this data will be available to CBP via other components of ACE. For this reason, bond riders pertaining to a principal's name or address change (see 19 CFR 113.24(a)(1)(2)) are not supported in ACE as this information is not transmitted on the eBond.

Continuous Bonds Executed Prior to eBond Test Will be Accessible in eBond System

Continuous bonds executed on CBP Form 301 prior to the eBond test deployment date of January 3, 2015, will be accessible in the eBond system for ease of CBP's administration of all continuous bonds. However, continuous bonds executed on CBP Form 301 prior to January 3, 2015, will not be subject to the rules set forth in this notice but will remain subject to the CBP bond regulations in 19 CFR part 113. Therefore, bond riders for these pre-January 3, 2015 continuous bonds must still be submitted to the RD in the format and manner detailed in 19 CFR part 113. Effective January 3, 2015, CBP will no longer accept name/address change bond riders for these pre-January 3, 2015 continuous bonds. The importer identification number and surety number will continue to be the primary identification markers used by CBP when verifying adequate bond coverage for activities that require it. Principals or sureties who wish to change the name or address on a pre-January 3, 2015 continuous bond must terminate the bond and provide a new bond (depending on the entry/entry summary scenario, this may be an eBond or a STB on CBP Form 301).

Termination of an eBond

A surety may, with or without the consent of the principal, electronically terminate an eBond on which it is obligated. The effective date of the termination must be stated in the electronic notice of termination and must be at least 15 calendar days after the date of the electronic notice of termination. If an eBond is terminated, no new customs transactions may be charged against the eBond. The surety, as well as the principal, remains liable on a terminated eBond for obligations incurred prior to termination.

eBond Status Updates

eBond status updates will be provided electronically to the surety/surety agent and any party identified on the eBond as a “Secondary Notify Party”.

Authorization for the eBond Test

CBP’s eBond test is authorized under § 101.9(b) of title 19 of the Code of Federal Regulations (19 CFR 101.9(b)), which provides for the testing of NCAP programs or procedures.

eBond Test Participant Eligibility

Participation in the eBond test is voluntary and may include surety(ies)/surety agents as well as principals who authorize a surety/surety agent to transmit an eBond. In order for a surety/surety agent to be eligible to participate in eBond, the surety/surety agent must obtain a filer code from CBP. A request for a filer code should be submitted to Conrad.I.henry@cbp.dhs.gov. Once the filer code is issued by CBP, it will be associated with the surety code which will be maintained by CBP. Principals and/or

importers may participate in the eBond test by contacting a participating surety and obtaining an eBond.

eBond Test Selection Criteria

Participation in the eBond test is open to all sureties/surety agents who have a surety filer code and who have requested permission to participate in the test and received CBP approval, as well as any principal who authorizes a surety/surety agent to transmit an eBond. A surety or surety agent interested in voluntary participation in the eBond test must submit an email request to Conrad.I.henry@cbp.dhs.gov with the subject line identifier “Request to participate in eBond test.” CBP will notify interested sureties of their test participation status upon receipt of the email requesting participation in the test. A principal who authorizes a surety/surety agent to transmit an eBond during this test is considered an eBond test participant and is bound by the terms and conditions of this notice.

eBond Test Dates

The eBond test will commence on January 3, 2015, and will run approximately two years, subject to any extension, modification or early termination as announced by way of notice in the **Federal Register**.

Regulatory Provisions Suspended

The regulatory provisions set forth in Chapter 1 of title 19 of the CFR will be suspended to the extent that they conflict with the terms of the eBond test. The regulatory suspensions will remain in effect for the duration of this test and will only apply to eBond test participants; the regulatory provisions remain in effect for all non-test participants.

Test Evaluation

The eBond test is intended to evaluate the automation of CBP's bond program pursuant to the processes described in this notice, its impact on trade, and CBP's ability to enforce applicable laws and protect the revenue. CBP's evaluation of the test, including the review of any comments submitted to CBP for the duration of the test, will be ongoing with a view to possible extension or expansion of the test. Notice of any extension, modification or expansion of the test will be published in the **Federal Register**.

Test Evaluation Criteria

The following is a non-exhaustive list of evaluation factors that CBP may use to assess the merits of the eBond test:

1. Workload impact;
2. Policy and procedure accommodations;
3. Cost savings;
4. Trade compliance impact;
5. System efficiency;
6. Operational efficiency; or
7. Other issues raised by public comment or by the test participants.

Results of the eBond test will be formulated at the conclusion of the test and will be made available to the public upon request.

Misconduct under the Test

An eBond test participant may be subject to civil and criminal penalties, administrative sanctions, liquidated damages, and/or discontinuance from participation in this test for any of the following:

- Failure to follow the terms and conditions of this test.
- Failure to exercise reasonable care in the execution of participant obligations.
- Failure to abide by applicable laws and regulations that have not been waived.
- Failure to deposit duties or fees in a timely manner.

If the Director, Business Transformation, ACE Business Office (ABO), Office of International Trade, finds that there is a basis for discontinuance of test participation privileges, the test participant will be provided a written notice proposing the discontinuance with a description of the facts or conduct supporting the proposal. The test participant will be offered the opportunity to respond to the Director's proposal in writing within 10 calendar days of the date of the written notice. The response must be submitted to the Executive Director, ACE Business Office, Office of International Trade. The Executive Director will issue a decision in writing on the proposed action within 30 business days after receiving a timely filed response from the test participant. If no timely response is received, the proposed notice becomes the final decision of the Agency as of the date that the response period expires. A proposed discontinuance of a test participant's privileges

will not take effect unless the response process under this paragraph has been concluded with a written decision adverse to the test participant.

Where the public health, interest, or safety so requires, or to protect the revenue, the Director, Business Transformation, ACE Business Office (ABO), Office of International Trade, may immediately discontinue the test participant's privileges upon written notice to the test participant. The notice will contain a description of the facts or conduct warranting the Director's decision. The test participant will be offered the opportunity to appeal the Director's decision within 10 calendar days of the date of the written notice providing for immediate discontinuance. The appeal must be submitted to the Executive Director, ACE Business Office, Office of International Trade. The immediate discontinuance will remain in effect during the appeal period. The Executive Director will issue a decision in writing on the appeal within 15 business days after receiving a timely filed appeal from the test participant. If no timely appeal is received, the notice becomes the final decision of CBP as of the date that the appeal period expires.

Dated: November 24, 2014

Brenda Smith
Assistant Commissioner,
Office of International Trade